

Memorandum

August 25, 2011

TO: Members, Joint Legislative Audit Committee

FROM: Assemblymember Ricardo Lara, Chair

RE: Results of the August 24, 2011 Committee Hearing

CC: Elaine Howle, State Auditor

The following members were present at the August 24, 2011, hearing at 9:00 a.m. in State Capitol Room 444: Assemblymember Ricardo Lara, Chair, Assemblymembers: Alejo, Donnelly, Huber, Monning, Norby, and Smyth.

Senators: Alquist, Anderson, de León, Dutton, LaMalfa, Rubio, and Wolk.

The hearing commenced at 9:10 a.m. A quorum was established at 9:41 a.m.

Regular Order of Business

2011-118 California Statewide Communities Development Authority and the California Municipal Finance Authority – Joint Powers Authorities

Assemblymember Feuer

Request an audit of the business and compensation models of two joint powers authorities. The audit will specifically focus on the authorities' compliance with conflict-of-interest laws, the public benefit to taxpayers, and reporting requirements.

Motion to approve audit request 2011-118 was made by Alquist, seconded by Alejo and passed 8-4 (Assembly 4-1, Senate 4-3).

2011-119 Physical Therapy Board of California

Assemblymember Hayashi

Request an audit of the Physical Therapy Board of California's relationship with professional organizations and its handling of complaints against physical therapists.

Motion to approve audit request 2011-119 was made by Alejo, seconded by Huber and passed 12-2 (Assembly 5-2, Senate 7-0).

2011-120 Caltrans, Managing State Property – 710 Freeway Extension Corridor

Assemblymember Portantino

Request an audit of the State's costs of maintaining properties that it owns in the proposed 710 extension project and whether any feasible alternative to owning and maintaining the properties exist.

Motion to approve audit request 2011-120 was made by Smyth, seconded by Huber and passed 12-1 (Assembly 5-1, Senate 7-0).

2011-121 Domestic Violence Probation Payments

Assemblymember Ma

Request an audit of the fees used to support domestic violence programs collected from individuals granted probation for crimes of domestic violence.

Motion to approve audit request 2011-121 was made by Rubio, seconded by Smyth and passed 11-0 (Assembly 7-0, Senate 4-0).

2011-122 Wildlife Conservation Board, Land Acquisition Program

Assemblymember Halderman and Senator LaMalfa

Request an audit of the land acquisition program operated by the Wildlife Conservation Board. Specifically, the requestors are concerned with government funding of land acquisition projects.

Motion to approve audit request 2011-122 was made by Anderson, seconded by Huber and failed 7-5 (Assembly 4-3, Senate 3-2).

2011-123 Office of Spill Prevention and Response, Oil Spill Prevention Administration Fund

Assemblymember Huffman

Request an audit of the Oil Spill Prevention and Administration Fund. Specifically, the request is focusing on the revenues and expenditures of the fund, the Office of Spill Prevention and Response's oversight of the fund, as well as the spill office's organizational relationship with the Department of Fish and Game.

Motion to approve audit request 2011-123 was made by Anderson, seconded by Huber and passed 14-0 (Assembly 7-0, Senate 7-0).

2011-124 Local School Bonds

Assemblymember Norby

Request an audit of school district bond sales. Specifically, the request is focusing on a comparison of negotiated and competitively bid bond sales, to the extent that it is feasible, for six school districts.

Motion to approve audit request 2011-124 was made by LaMalfa, seconded by Anderson and failed 7-5 (Assembly 4-3, Senate 3-2).

2011-126 Nonprofit Hospitals

Senator Corbett

Request a follow up audit to determine whether nonprofit hospitals are providing a public benefit that meets existing legal criteria to justify their tax-exempt status. Specifically, the request is asking for an update on audit report 2007-107 to include new information about nonprofit hospitals available from the federal government to assess the impact of purchases and consolidations of nonprofit hospitals

Motion to approve audit request 2011-126 was made by Wolk, seconded by Alquist and passed 8-6 (Assembly 4-3, Senate 4-3).

2011-127 Metropolitan Transportation Commission/Bay Area Toll Authority

Senator DeSaulnier

Request an audit of the Metropolitan Transportation Commission and the Bay Area Toll Authority. Specifically, the request is focused on the use of toll funds to acquire a new headquarters office building.

Motion to approve audit request 2011-127 was made by Anderson, seconded by Monning and passed 12-2 (Assembly 5-2, Senate 7-0).

2011-129 CDCR, Juvenile Justice Realignment

Assemblymember Huber

Request an audit of the Youthful Offender Block Program. Specifically, the request is focused on the realignment of nonviolent juvenile offenders from state to local control.

Motion to approve audit request 2011-129 was made by Alejo, seconded by Smyth and passed 11-0 (Assembly 7-0, Senate 4-0).

2011-130 PUC, Low-Income Energy Programs

Assemblymember Knight

Request an audit of California Alternative Rates for Energy program, administered by the State's major investor-owned electric and natural gas utility companies. Specifically, the request is focused on a review of the eligibility and verification procedures approved by the PUC for the program enrollees.

Motion to approve audit request 2011-130 was made by Smyth, seconded by LaMalfa and failed 6-6 (Assembly 3-4, Senate 3-2).

Hearing Adjourned at 12:32 p.m.